



NetSuite Recognized for

2021

Product Leadership

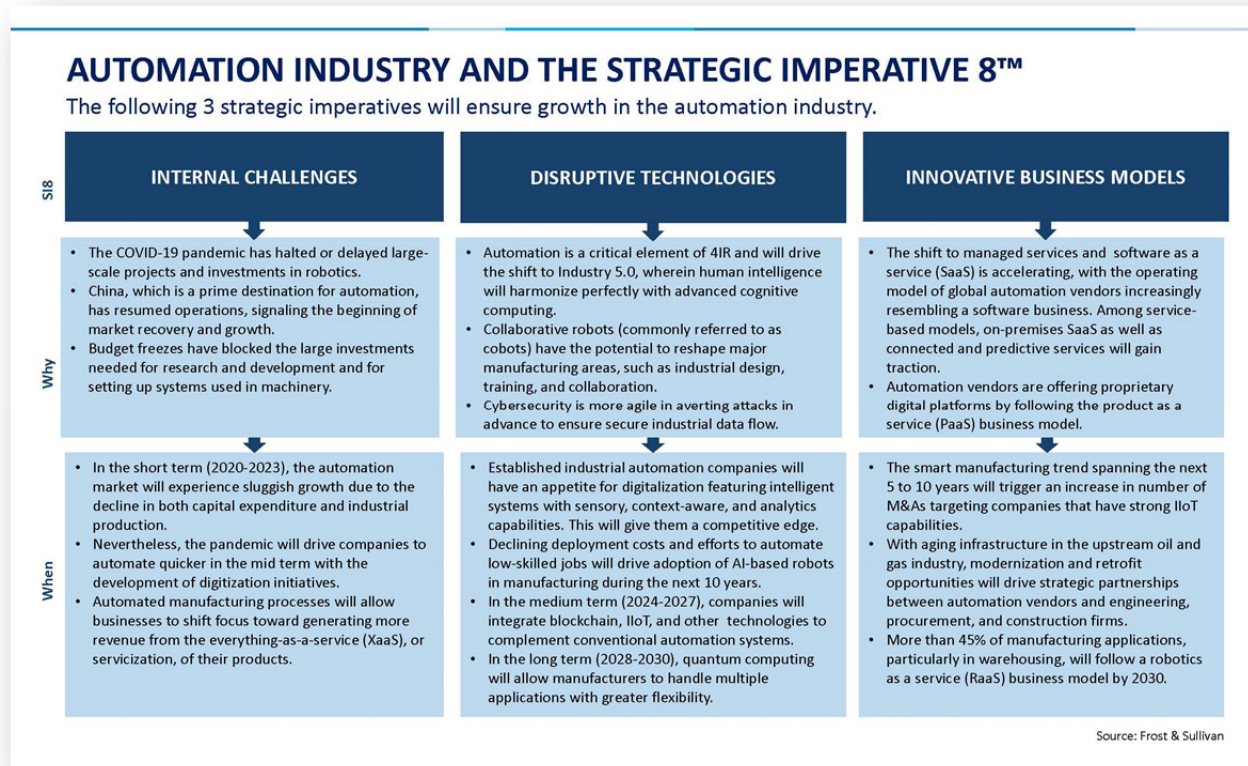
North American

Cloud ERP Industry

Excellence in Best Practices

Strategic Imperatives

Frost & Sullivan identifies three key strategic imperatives that impact the automation industry: internal challenges, disruptive technologies, and innovative business models. Every company that is competing in the automation space is obligated to address these imperatives proactively; failing to do so will almost certainly lead to stagnation or decline. Successful companies overcome the challenges posed by these imperatives and leverage them to drive innovation and growth. Frost & Sullivan’s recognition of NetSuite is a reflection of how well it is performing against the backdrop of these imperatives.



Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated companies. NetSuite excels in many of the criteria in the cloud ERP space.

AWARD CRITERIA	
<i>Product Portfolio Attributes</i>	<i>Business Impact</i>
Match to Needs	Financial Performance
Reliability and Quality	Customer Acquisition
Product/Service Value	Operational Efficiency
Positioning	Growth Potential
Design	Human Capital

Match to Needs

The COVID-19 pandemic and other global disruptions have been rapidly affecting/impacting organizations of all sizes and types, forcing them to rethink their strategies to thrive in new business environments and exploit new growth opportunities quickly and efficiently. Traditional, rigid, and cumbersome enterprise resource planning (ERP) systems that slow down a company’s response to adapting to emerging trends and fail to streamline mission-critical processes do not meet companies’

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evolving needs. These companies want to have insight, agility, and control to make smarter and faster decisions; therefore, ERP systems should be designed for the constantly changing landscape. Furthermore, companies need a true cloud ERP solution that will enable them to be agile and stay aligned with a rapidly evolving business environment.

Amid this scenario, Oracle NetSuite (NetSuite) offers an end-to-end cloud ERP solution that provides organizations with clear visibility and control of their

business. Frost & Sullivan research shows that NetSuite made several leading-edge enhancements in 2020 and displays leadership based on the following fronts:

Insight, Agility, and Control: NetSuite’s entire premise has always been on driving insight on information, agility to run the business, and control across the entire organization, including complying with regulations, such as a US-based sales tax, Chinese golden tax rule, consolidation requirement from an International Financial Reporting Standards (IFRS) standpoint, or revenue recognition. Organizations, therefore, can ensure they operate on a compliant level with whatever regulation is in effect in their jurisdiction.

In addition, in the last 12 months, NetSuite has enabled enterprise-wide collaboration and enhanced productivity, and users (whether in manufacturing or in finance) now operate on a single platform.

NetSuite's system operates in real time, with no lag in sending requests and without the need to wait a week for a response, thus improving productivity. In addition, NetSuite is role based because it understands that saying an entire organization can run on the same platform is not enough. NetSuite instead believes that all users (e.g., shop floor managers and account managers) with specific roles should have the capabilities, insights, metrics, reporting, and other functionalities that are important to their role built into the system. To this end, when users flip the switch on and log into NetSuite, they have their user role defined and can view whatever is necessary for that role and take any appropriate actions. Frost & Sullivan, therefore, finds that NetSuite enables each user to focus on what they do best and what matters the most to them, thus keeping the entire organization focused, collaborative, and productive overall and allowing it to take advantage of new market opportunities quickly. In addition, Frost & Sullivan commends NetSuite for offering its cloud ERP based on insight, agility, control, collaboration, and productivity to provide companies with the ability to react/respond quickly to any industry disruption and establish a foundation for agility and flexibility.

Positioning and Design

NetSuite effectively matches its capabilities to meet industry needs through a unique combination of automation, intelligence, and integrated focused features with added capabilities in areas such as financials and cash management, supply chain, customer experience, analytics and customization, and employee engagement.

Intelligence: NetSuite users have a clearly defined role when they log in, and the NetSuite system provides intelligence in a manner that can be easily understood and acted upon by users. Frost & Sullivan commends NetSuite because, unlike other competing generic companies, NetSuite does not provide users with only numbers but ensures that clients can focus on things that will drive their organizations from an intelligence standpoint.

For instance, in many management meetings focused on driving the company forward, 80 to 90% of that time is wasted on arguing whose information is correct. To address this, NetSuite designed so that all features and functionalities operate seamlessly together within the system on a single platform so that everybody is working off of the same virtual sheet of paper, thus avoiding the situation where everybody has their own subsystem and their own numbers. To this end, NetSuite provides the ability to do things in real time, from the front office to the back office and everywhere in between.

Automated Financials and Cash Management

During the COVID-19 pandemic, many companies have been focusing on cash management; therefore, NetSuite has automated certain aspects of its solution, particularly in terms of managing finances and running the business. To this end, one of the most requested features by clients is invoice grouping, where several invoices can be automatically grouped into a single invoice and a single dollar amount, with users drilling down to view more details if necessary. This capability eliminates the need to send out multiple invoices to the same customer, ensuring accurate invoicing and improving cash flow by decreasing days sales outstanding.

Bank integration is another new feature where organizations can connect their bank accounts to NetSuite, both in North America and internationally and automatically import transactions and account balances from financial institutions directly into NetSuite, providing real-time access to cash balances.

In addition, NetSuite provides an automated bank reconciliation feature where organizations can reconcile their bank accounts almost automatically. NetSuite's intent is to get this reconciliation 100% automated and allow customers to close their books quickly.

Autonomous Supply Chain

NetSuite's autonomous supply chain presents information to users so they can make informed decisions with a certain level of confidence based on the system's information. For instance, NetSuite's supply chain control tower, with machine learning and artificial intelligence, can compare two locations (e.g., a warehouse in Columbus, Ohio, and a warehouse in Pittsburgh, Pennsylvania); bring in a weather forecast capability; and inform with 95% confidence that if the order is shipped from the Columbus, location, then the customer will not receive it on time because of specific reasons, such as an upcoming snow storm. Moreover, if the order is shipped from Pittsburgh, where there is ample supply, then the customer will receive the order on time.

The supply planning engine, on the other hand, is used, for example, for demand planning across the entire supply chain and ensures that a realistic demand forecast can be developed and that all supply chain requirements are fulfilled.

Intelligent Fulfillment

If a customer places an order for 20 products to be delivered in two weeks, then intelligent fulfillment from NetSuite looks at warehouses 1 and 2, where 14 products are available. To fulfill all 20 products, the system looks for the additional 6 products elsewhere, such as on the manufacturing floor where 3 products could be scheduled for completion within the next week, with another 3 products available because of a canceled sales order. NetSuite's intelligent fulfillment immediately looks across the organization and reallocates and ensures that the promised number of products is delivered on time, thus providing a positive customer experience.

Unified Customer Experience

Frost & Sullivan finds that NetSuite is getting customers to do things more on their own by providing an Amazon-like self-service experience, where customers can determine the status of the order, receive details on past orders, see what is available to order and determine if it is in stock and if it will be delivered on time, and then pay for it.

NetSuite provides service to all types of companies, regardless of size or complexity. For instance, NetSuite has customers that range from sub-million-dollar organizations with just a handful of employees to billion-dollar organizations with thousands of employees. Customers find NetSuite appealing because it satisfies their needs and provides the ability to operate with their existing resources.

In addition the company delivers NetSuite Budgeting and Planning with SuiteSuccess implementation methodology that provides customers with the ability to get up and running with budgeting and planning in a quick and sustainable manner. NetSuite Budgeting and Planning leverages Oracle's EPM budgeting and planning engine.

Powerful Analytics and Customization

SuiteAnalytics Workbook provides expanded analytics capabilities and is designed so that even inexperienced users can perform complex data analytics tasks with drag and drop and point and click functionality. Users can easily and securely explore their data, create sophisticated criteria filters with real-time visualizations. Moreover, organizations can use Oracle's Analytics Cloud and Autonomous Data Warehouse solution once they get to a point where they combine multiple data sources to analyze. To this end, NetSuite ensures customers can achieve whatever degree or depth of analysis they require.

From a customization standpoint, NetSuite provides out-of-the-box customization tools that, to a large degree, are point and click, intuitive, and informative, thus eliminating the need to hire coders. NetSuite provides this customization capability because every customer is different and may need to capture specific information in a workflow that is unique to that organization.

Smart Employee Engagement

Employee onboarding, especially with small-to-mid-sized businesses with 50 to 200 employees, is challenging because small companies do not have an HRIS. NetSuite's smart employee engagement captures all the necessary information on the front end and eliminates the challenges that arise if organizations are ever audited or have a labor issue.

Performance management capabilities are also available, which provide employees with ongoing feedback and status on their performance relative to their goals and objectives, in addition to determining if they need help and then tying in these metrics to the employee's dashboard so that the organization continues to operate in the right direction.

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Differentiators

Organizations often start adding too many applications to manage their business, which they believe buys them time and helps them automate; however, this practice will eventually hinder rather than improve operations, with stand-alone legacy solutions intended to address each business no longer working. Frost & Sullivan research shows that NetSuite is unique because it integrates everything so that all features and functionalities operate

seamlessly within the system, enabling customers to run their business on one platform rather than having separate applications (e.g., CRM, eCommerce, or financial) and then maintaining the connections between them. For instance, with NetSuite's broad end-to-end suite, a standard user can plan and conduct a what-if analysis, review results, and drill down to the lowest level invoice of a transaction, all

on a single platform. While traditional systems that were not designed for today's constantly changing landscape can slow down an organization's ability to adapt to emerging trends, NetSuite is well positioned to enable customers to take advantage of emerging trends, easily tackle any industry disruption, and thrive in any business environment.

NetSuite is further differentiated because all users are on one version of the same software, regardless of location and the system on which they operate. With its one software version, NetSuite provides good customer support, with all users having access to new functionalities following any new releases or updates. NetSuite, therefore, provides customers with the confidence that the system they have today will scale with their business as and when required, compared to several competing systems that do not allow customers to scale easily.

Financial Performance, Customer Acquisition, and Growth Potential

NetSuite's financial performance has been phenomenal, indicating that customers are adopting the company's cloud solution. NetSuite now has over 24,000 active customers on its system. Since every customer can have multiple entities and distinct operating businesses; there are thousands of organizations using NetSuite's system, with the company supporting any jurisdiction in which these organizations operate.

NetSuite has added more than thousands of customers since 2016. In addition, 99% of NetSuite's customers transact in multiple currencies, 51% of customers operate across multiple countries, and a little more than half of its customers transact business across more than one country, with NetSuite supporting 27 languages.

NetSuite's overall growth is gaining momentum in North America and consistently across other key areas, such as Latin America, the Middle East and Africa (MEA), and Asia-Pacific (APAC), where the company continues to see strong growth. . The company is live in 216 countries and dependent territories, indicating that it can even address territories with certain requirements, such as product localization. For instance, in South America, the Brazilian government has more stringent sales tax reporting requirements than in Argentina or Chile; however, NetSuite can accommodate this requirement.

Conclusion

Organizations need cloud ERP solutions to make smarter, faster, and more informed business decisions. NetSuite's cloud ERP, which is based on insight, agility, and control, supports today's fast-evolving business models and addresses organizations' requirements. NetSuite continues to enhance and improve the functionality of its offering, including several product advancements in 2020, such as automated financials and cash management, autonomous supply chain, unified customer experience, analytics and customization, and smart employee engagement. NetSuite renders unmatched customer value because its more than 24,000 customers are on one version of the same software. With NetSuite, organizations no longer need rigid ERP systems because the company's cloud ERP enables customers to be agile, stay aligned with a rapidly evolving business environment, and exploit new growth opportunities efficiently. Despite the COVID-19 pandemic, NetSuite had significant customer growth in 2020, highlighting the willingness of organizations to adopt its cloud solutions.

For its strong overall performance, NetSuite earns Frost & Sullivan's 2021 Product Leadership Award in the North American cloud ERP market.

What You Need to Know about the Product Leadership Recognition

Frost & Sullivan's Product Leadership Award recognizes the company that offers a product or solution with attributes that deliver the best quality, reliability, and performance in the industry.

Best Practices Award Analysis

For the Product Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Product Portfolio Attributes

Match to Needs: Customer needs directly influence and inspire the product portfolio's design and positioning

Reliability and Quality: Products consistently meet or exceed customer expectations for performance and length of service

Product/Service Value: Products or services offer the best value for the price compared to similar market offerings

Positioning: Products serve a unique, unmet need that competitors cannot easily replicate

Design: Products feature innovative designs, enhancing both visual appeal and ease of use

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

